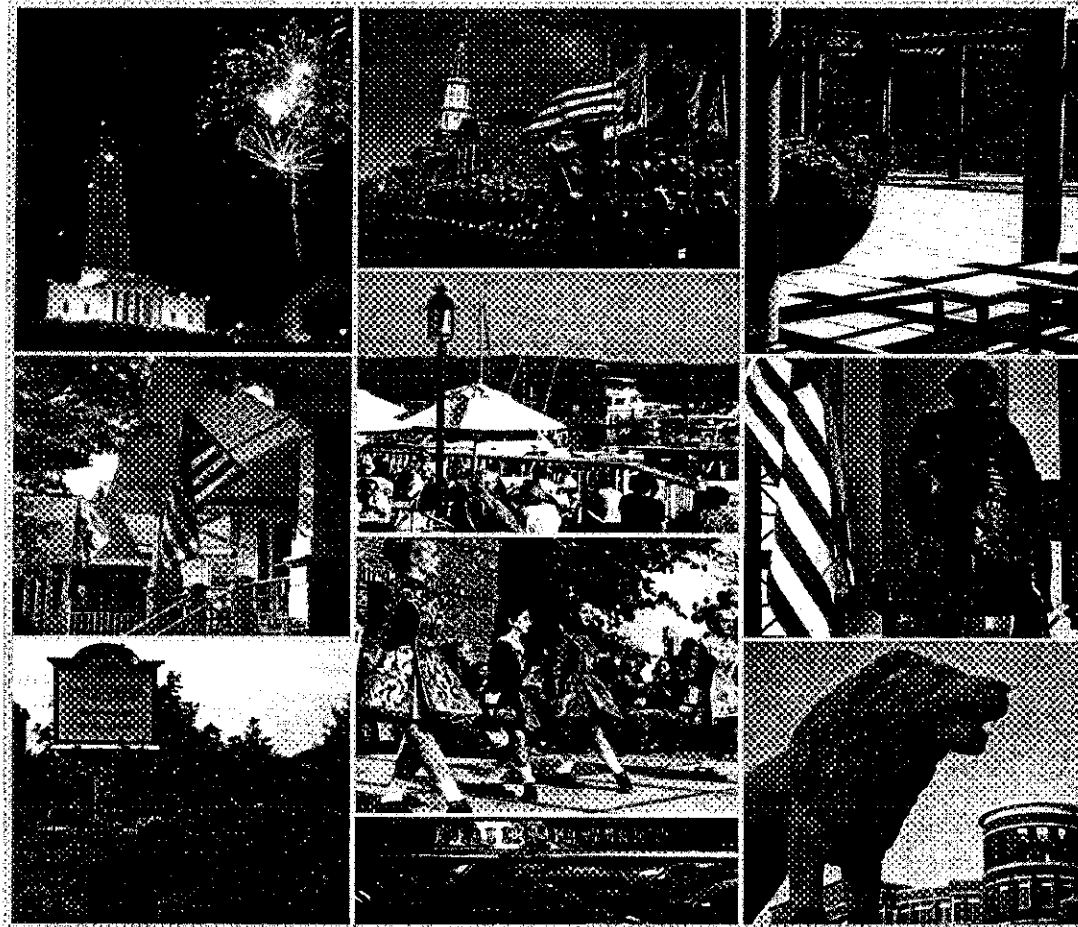


City of Alexandria



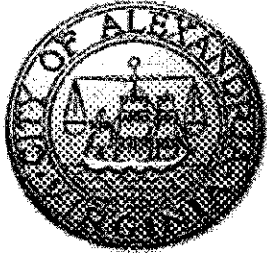
FY 2003 City Council

Budget Work Session, April 18, 2002



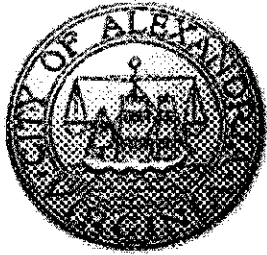
Agenda

- Planning & Zoning, Sewer Connection Fees
- Housing Trust Fund Contribution
- Towing & Impounding Fees
- Revenue Projection Update
- Budget Process Timetable



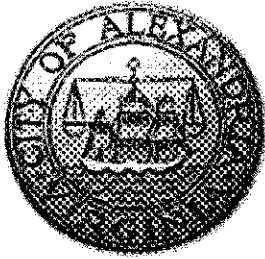
Planning & Zoning Fees

- Fees related to land-use applications
- Fees commonly accepted way of financing part of development review process
- Alexandria's Planning & Zoning fees have not been updated since 1992



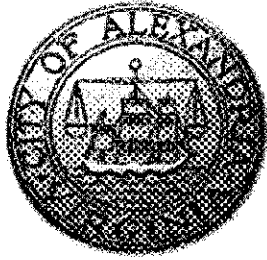
Planning & Zoning Fees

- Recommended changes to fee structure were based on two studies
- First study, conducted by Delta Associates, provided a comparison of Alexandria's fees with other jurisdictions in N.VA area
- Delta study finding was that Alexandria fees were generally the lowest



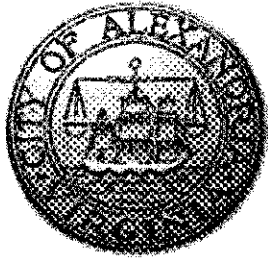
Planning & Zoning Fees

- What does it cost?
- Second study, conducted by the Mercer Group, covered an internal analysis of costs of providing services for each part of the review process
- Comprehensive and detailed study provided accounting of direct and indirect costs



Planning & Zoning Fees

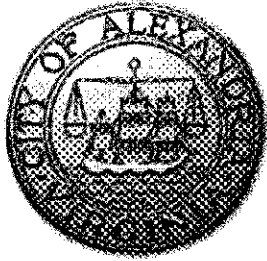
- Total cost of Planning & Zoning, Transportation & Environmental Services and other Departments in FY 2001 was \$2.8 million
- This excludes costs related to comprehensive planning
- Amount recovered through fees in FY 2001 was \$47,000, less than 2% of total cost



Planning & Zoning Fees

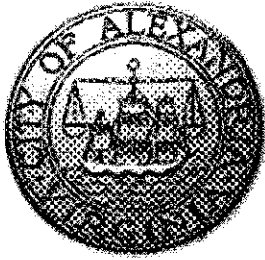
Guidelines for fee review

- Balance between cost recovery of private benefit through fees and public benefit of services that should be paid by the General Fund
- Keep fees below highest fees charged by other jurisdictions in most fee categories
- Retain ease of administration of fee structure
- Avoid adversely impacting small businesses and homeowners



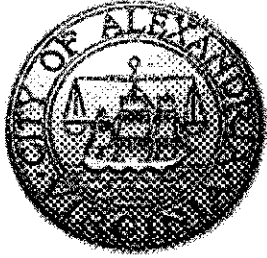
Planning & Zoning Fees

- Proposed new fee schedule meets guidelines criteria
- Using FY 2001 workload statistics and costs, revenue generated by proposed new fee schedule is approximately \$640,200
- Results in cost recovery of 23% by fees, 77% of costs remain financed by General Fund



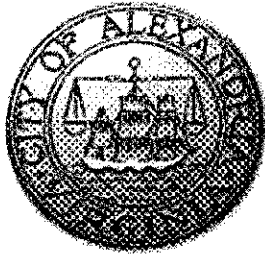
Planning & Zoning Fees Project Comparison Analysis

| | <u>Backyard Boats</u> | <u>Mill Race</u> | <u>Saul Center</u> | <u>King's Cloister</u> | <u>Bush Hill</u> |
|-------------------------|---------------------------|------------------|--------------------|----------------------------|------------------|
| Arlington County | \$20,512 | \$61,363 | \$32,780 | \$36,308 | \$20,862 |
| Loudoun County | \$19,505 | \$56,385 | \$19,945 | \$11,350 | \$23,530 |
| Fairfax County | \$23,730 | \$45,296 | \$23,441 | \$31,896 | \$42,748 |
| Prince William | \$9,041 | \$85,272 | \$32,470 | \$10,822 | \$40,666 |
| Alexandria- Current | \$980 | \$10,012 | \$2,605 | \$1,200 | \$3,249 |
| Alexandria- Proposed | \$13,226 | \$59,790 | \$29,329 | \$9,462 | \$37,790 |



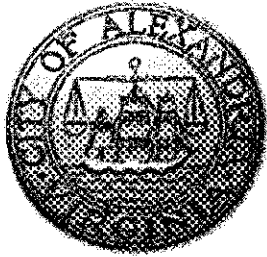
Sanitary Sewer Connection Fees

- Accepted/equitable governmental charge
- Development uses system capacity and adds demand
- Fees represent cost of “joining” a sanitary sewer system
- City fees last increased in 1985



Sanitary Sewer Connection Fees

- Capital needs have grown since 1997 from \$1.7 million to \$18.3 million in CIP
- \$8.9 million for Holmes Run Trunk Sewer
- \$10.4 million for I&I in 4-Mile Run area
- Further I&I & system expansion capital needs will increase \$18.3 million



Sanitary Sewer Connection Fees

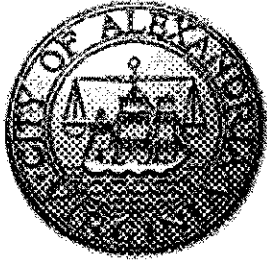
- City is only major jurisdiction in the region that does not have a self-supporting sewer system and, as a result, provides tax subsidies from the General Fund
- Negatively impacts debt capacity
- Sanitary sewer connection fees can provide a substantial portion of sewer capital budget



Sanitary Sewer Connection Fees

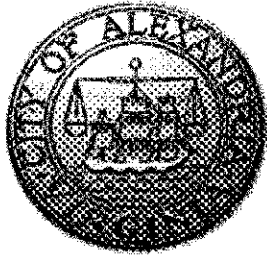
- Current sanitary sewer residential fee is \$630 per unit
- With credits, often only \$100 per unit paid
- Other jurisdictions sanitary sewer fees:

| Prince William | Fairfax County | Arlington County | WSSC |
|---------------------------|---------------------------|-----------------------------|-------------|
| \$9,800 | \$5,069 | \$4,620 | \$5,090 |



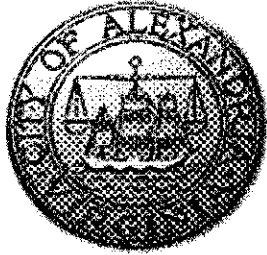
Sanitary Sewer Connection Fees

- Proposal is a Draft
- Proposed sanitary sewer fee of \$4,200
- Fee remains the lowest in region
- Multi-family at 80% or \$3,360 per unit
- Meter size scale for other development
- Credit system proposed for revision



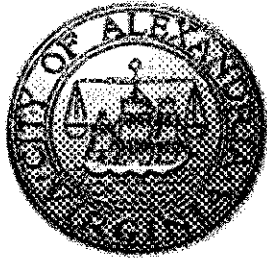
Sanitary Sewer Connection Fees

- Discussions with the development community underway
- Implementation is key issue
- Development project's lead time
- Date & definition of when new fees apply is the primary feedback to date



Housing Trust Fund

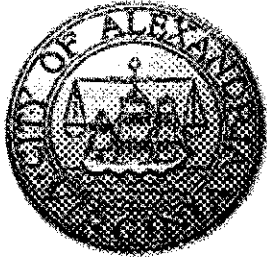
- In 1992, the 50 cent per square foot contribution was established
- Average rent increase since 1992 equals 64%
- An increase to 82 cents gets the City back to 1992 value
- A \$1.00 per square foot rate recovers the lost value as well as provides for expanded affordable housing efforts



Towing & Impounding Fees

Issues:

- Market changes reflected in contract will result in higher costs in FY 2003
 - \$20,000 of those costs related to High Occupancy Vehicle (HOV) towing trips
- Woodrow Wilson Bridge construction causing the City to lose parking area for towed vehicles



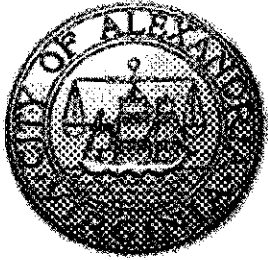
Towing & Impounding Fees

Recommendations:

- Increase fees to cover City costs of towing & impounding

| | Current | Proposed |
|---------------------|----------------|-----------------|
| Towing charge | \$50 | \$75 |
| Impound lot charge | \$40 | \$60 |
| Vehicle storage fee | \$20/day | \$30/day |

- Begin moving HOV violators to the impound lot for fee recovery & security



General Fund Revenue Projection Update

| | FY 2002 | FY 2003 |
|---|---------------|---------------|
| Real Estate | -0.3 | +0.3 |
| Personal Property | +0.4 | +0.4 |
| Penalties & Interest | - | -0.5 |
| Business License | +0.5 | +0.5 |
| Other Local Taxes | +0.5 | +0.5 |
| State Aid | | |
| HB 599 | -0.2 | -0.1 |
| Constitutional Officers | - | -0.016 |
| Car Tax | +0.3 | +0.3 |
| Other Revenue | +0.1 | +0.1 |
| Total (Does not add due to rounding) | +\$1.3 | +\$1.4 |